

# RDS Program E-Newsletter

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## Useful Links:

### RDS Center

Home page for the RDS Center  
<http://rds.cms.hhs.gov>

### CMS Coordination of Benefits/VDSA Web Site

Home page for information on submitting retiree files through the Voluntary Data Sharing Agreement

<http://www.cms.hhs.gov/medicare/cob/default.asp>

### CMS Employer Page

Centers for Medicare and Medicaid Services Web Site specifically for employers

<http://www.cms.hhs.gov/medicare/cob/default.asp>

## Contact Us:

<http://rds.cms.hhs.gov>

[RDS@cms.hhs.gov](mailto:RDS@cms.hhs.gov)

(877) RDS-HELP or

(877) 737-4357

(877)RDS-TTY0 or

(877) 737-8890

## RDS Program Interim Payment Overview

CMS' RDS Center is pleased to announce information about the following RDS Interim Payment processes: **Payment Setup**, **Cost Reporting**, and **Payment Requests**. The RDS Center will be making an additional announcement shortly regarding the timing of when these processes will become available on the RDS Secure Web Site. At that time, more details about the payment process steps will be provided. Please continue to check the [RDS Program Web Site](http://rds.cms.hhs.gov/) [http://rds.cms.hhs.gov/] up to date information on the payment process.

### Payment Setup

In order to submit costs and make payment requests, the Plan Sponsor's Authorized Representative (AR) or Account Manager (AM) will first need to visit the RDS Secure Web Site to complete the Payment Setup process. The Payment Setup process requires the AR or AM to assign who is authorized (1) to make payment requests on their behalf and (2) to submit cost data for each benefit option under the plan. A single individual may not be authorized to perform both the payment request function and the cost submitting function. There must be a separation of duties. The Payment Setup process should only take a few minutes for most Plan Sponsors.

### Cost Reporting

In order to build an RDS interim payment request, drug costs must be reported for each application by benefit option, vendor, and month incurred. Cost data may be submitted either via data entry or file transfer to the RDS Center's mainframe. Functionality will be added to permit the uploading of cost data files directly to the RDS Secure Web Site prior to implementation of the reconciliation process. A file submitted by a vendor, such as a pharmacy benefit manager or carrier, to the RDS mainframe may contain reports for multiple Plan Sponsor applications and benefit options. A file submitted by a Plan Sponsor (not a vendor) to the RDS mainframe may only contain reports for that specific Plan Sponsor, but may contain data for a given Sponsor's multiple applications and benefit options.

Plan Sponsors and vendors should view the [mainframe file layout](http://rds.cms.hhs.gov/news/downloads/CostReportFileLayout.pdf?cache=n) [http://rds.cms.hhs.gov/news/downloads/CostReportFileLayout.pdf?cache=n] to report costs and [mainframe copybooks](http://rds.cms.hhs.gov/news/downloads/CostReportFileLayout.pdf?cache=n) [http://rds.cms.hhs.gov/news/downloads/CostReportFileLayout.pdf?cache=n]

gov/news/downloads/CostReportCopybooks.pdf?cache=n] for cost reporting data parameters. Plan Sponsors or vendors planning to submit costs via data entry on the RDS Secure Web Site may also benefit from viewing the above cost reporting data parameters in order to develop internal systems.

It should be noted that the file layout for reconciliation cost data will be published soon and that the reporting parameters will be similar to those for the interim payment process. For reconciliation, more detailed data will need to be reported for each application by benefit option, vendor, retiree, and month incurred.

### Payment Requests

Once drug costs for a specific plan (i.e. application) are submitted via data entry or file transfer to the RDS mainframe, an individual(s) authorized (during the Payment Setup process) to build and submit an interim payment request on behalf of the Plan Sponsor may do so. Payment Requests will be submitted using the RDS Secure Web Site. We expect to have interim payment setup, cost reporting, and payment requests occur as described in the proposed information collection document published in the Federal Register. That information can be viewed at the following site: <http://www.cms.hhs.gov/PaperworkReductionActof1995/PRAL/itemdetail.asp?filterType=non&filterByDID=-99&sortByDID=2&sortOrder=descending&itemID=CMS053471>.

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## New RDS Secure Web Site Functionality - Coming February 1, 2006

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CMS' RDS Center is pleased to announce that new RDS Secure Web Site functionality will be implemented on Wednesday, February 1, 2006. This new functionality will allow all RDS Secure Web Site users to change their personal information, such as: name, address, e-mail, etc. In addition, authorized users will be permitted to reassign Account Managers and Authorized Representatives associated with a Plan Sponsor, and change some application information (e.g., designee(s)) after the application has been finalized to an approved or denied status.

Check the [How To](http://rds.cms.hhs.gov/how_to/) [http://rds.cms.hhs.gov/how\_to/] section of [CMS' RDS Program Web Site](http://rds.cms.hhs.gov/) [http://rds.cms.hhs.gov/ ] on February 1, 2006, for documents that will provide a detailed explanation of how to change this information on the RDS Secure Web Site.

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## Automated Enrollment in Medicare Part D

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This announcement includes two documents related to the automated enrollment of certain Medicare beneficiaries in Medicare Part D prescription drug coverage and how that process may affect their employer or union-sponsored retiree drug and medical coverage when the plan sponsor has chosen not to provide coverage to retirees that enroll in a Part D drug plan (e.g., the plan sponsor only provides coverage to

retiree that do not enroll in Part D because the employer/union applied for the retiree drug subsidy and decided not to also offer a supplemental coverage option). **We urge all plan sponsors to read these documents carefully to make sure they are fully aware of the range of issues facing these retirees.**

The first document is a short "[tip sheet](http://rds.cms.hhs.gov/news/downloads/EmployerUnionPlansAutoFacilitatedEnrollmentTIPSHEET.pdf?cache=n)" [http://rds.cms.hhs.gov/news/downloads/EmployerUnionPlansAutoFacilitatedEnrollmentTIPSHEET.pdf?cache=n] summarizing issues at stake and identifying steps plan sponsors should consider taking to minimize the risk of adverse consequences for these retirees and their families. The second document is an "[issue paper](http://rds.cms.hhs.gov/news/downloads/EmployerUnionPlansAutoenrollmentISSUEPAPER.pdf?cache=n)" [http://rds.cms.hhs.gov/news/downloads/EmployerUnionPlansAutoenrollmentISSUEPAPER.pdf?cache=n] exploring the topic in more detail.

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## RDS Plan Sponsors are Exempt from Filing Creditable Coverage Notice

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CMS has determined that the attestation submitted by the Plan Sponsors for the purpose of applying to the RDS program meets the creditable coverage filing requirements - therefore, RDS Plan Sponsors are **EXEMPT** from the creditable coverage Disclosure Notice filing requirement, as explained in the following excerpt from the CMS guidance:

*The regulation at 42 CFR §423.884(c)(2)(iv)[the RDS regulation] requires that a plan sponsor provide an attestation that its prescription drug coverage is at least actuarially equivalent to the standard prescription drug coverage under Part D as part of the application for the Retiree Drug Subsidy (RDS). Therefore, because the actuarial equivalence standard includes the creditable coverage standard, a sponsor that has been approved for the Retiree Drug Subsidy is exempt from filing the Disclosure Notice with CMS with respect to those qualified covered retirees for which the Sponsor is claiming the Retiree Drug Subsidy. The sponsor's RDS application serves as its disclosure to CMS under 42 CFR §423.56(e).*

Review the full [creditable coverage notice](http://rds.cms.hhs.gov/CreditableCoverage/Downloads/Disclosure2CMSGdnc.pdf) [rds.cms.hhs.gov/CreditableCoverage/Downloads/Disclosure2CMSGdnc.pdf] to CMS guidance.

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## Helpful Tips

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This section is intended to provide you with helpful tips about relevant RDS topics. The focus of this 'Helpful Tips' section is the Retiree Response file.

- To access your Retiree Response file, go to the [How To Download a Retiree Response File](http://rds.cms.hhs.gov/how_to/download.htm) page [http://rds.cms.hhs.gov/how\_to/download.htm].

- If you receive a Retiree Response file with reason code determination and do not know what they mean, refer to the Response File Reason Codes table. These codes will explain why the RDS Center did not accept a particular retiree on your retiree file. It is your responsibility to research the reason code determination against your records and with the retiree. For more information, go to the [How To Download a Retiree Response File](http://rds.cms.hhs.gov/how_to/download.htm) page [http://rds.cms.hhs.gov/how\_to/download.htm].
- If your retiree file response file included a reason code 16 - Not a valid Medicare Beneficiary – This beneficiary was not found in the Medicare Beneficiary Database. It is necessary to research either the SSN or the HIC number provided. Keep in mind in the case of a subsidy period request for a retiree's dependent or spouse the SSN should correspond with the individual for which they are requesting a subsidy period (e.g., that of the dependent or spouse) not the retiree.
- If the reason code is 12 - Beneficiary is deceased – The beneficiary's date of death falls within the period of RDS coverage for which you have applied. It is necessary to verify the retiree's status. If the date of death was after the Coverage Effective date on the retiree file, the date of death is inserted in Subsidy Period Termination date on the retiree response file. If the date of death was before the Coverage Effective date on the retiree file, the Subsidy Period Effective and Termination dates are blank.
- If CMS' RDS Center rejects one of your retirees, or your retiree file indicates that you do not have any valid retirees, please verify that the retiree's information was entered correctly. If incorrect information was entered, please change the information accordingly and resubmit in the next monthly add, update, delete file. If the retiree was denied for the subsidy all together, resubmit that record as an Add. If there was only a discrepancy in the subsidy periods resubmit the record as an Update.

If after verifying the retiree's information, you believe the determination made by the RDS Center is incorrect, please resubmit the retiree on the next monthly add, update, delete file. The reason for the rejections could be that the retiree's information has been updated at the RDS Center or at MBD, causing the determination to be different then what you were expecting.

- If after sending an initial retiree response file a rejection occurs, go to the [How To Submit an Appeal](http://rds.cms.hhs.gov/how_to/appeals.htm) page [http://rds.cms.hhs.gov/how\_to/appeals.htm] for an explanation of why this might have happened and what you should do.

# Cost Report Copybooks

All records have record length 110

## \* - FILE HEADER

01	(*)-FHDR-RECORD.		
05	(*)-FHDR-RECORD-TYPE	PIC	X(04).
88	FHDR-RECORD		VALUE 'FHDR'.
05	(*)-FHDR-SUBMITTER-TYPE	PIC	X(01).
88	FHDR-PLAN-SPONSOR		VALUE 'P'.
88	FHDR-VENDOR		VALUE 'V'.
05	(*)-FHDR-SUBMITTER-ID	PIC	X(10).
05	(*)-FHDR-DATE	PIC	9(08).
05	(*)-FHDR-TIME	PIC	X(08).
05	FILLER	PIC	X(79).

## \* - APPLICATION HEADER

01	(*)-AHDR-RECORD.		
05	(*)-AHDR-RECORD-TYPE	PIC	X(04).
88	AHDR-RECORD		VALUE 'AHDR'.
05	(*)-FHDR-APPLICATION-ID	PIC	X(10).
05	FILLER	PIC	X(96).

## \* - DETAIL RECORD

01	(*)-DETL-RECORD.		
05	(*)-DETL-RECORD-TYPE	PIC	X(04).
88	DETL-RECORD		VALUE 'DETL'.
05	(*)-DETL-UBOI	PIC	X(20).
05	(*)-DETL-YYYYMM.		
10	(*)-DETL-YYYYMM-N	PIC	9(06).
05	(*)-DETL-EST-PREMIUM	PIC	S9(09)V99
			SIGN IS LEADING SEPARATE .
05	(*)-DETL-GROSS-RET-COST	PIC	S9(09)V99
			SIGN IS LEADING SEPARATE .
05	(*)-DETL-THRESHOLD-RED	PIC	S9(09)V99
			SIGN IS LEADING SEPARATE .
05	(*)-DETL-LIMIT-RED	PIC	S9(09)V99
			SIGN IS LEADING SEPARATE .
05	(*)-DETL-COST-ADJ	PIC	S9(09)V99
			SIGN IS LEADING SEPARATE .
05	FILLER	PIC	X(20).

## \* - APPLICATION TRAILER

01	(*)-ATRL-RECORD.		
05	(*)-ATRL-RECORD-TYPE	PIC	X(04).
88	ATRL-RECORD		VALUE 'ATRL'.
05	(*)-ATRL-APPLICATION-ID	PIC	X(10).
05	(*)-ATRL-REC-COUNT	PIC	9(07).
05	(*)-ATRL-TOT-EST-PREMIUM	PIC	S9(12)V99
			SIGN IS LEADING SEPARATE .
05	(*)-ATRL-TOT-RET-COST	PIC	S9(12)V99
			SIGN IS LEADING SEPARATE .
05	(*)-ATRL-TOT-THRESHOLD-RED	PIC	S9(12)V99
			SIGN IS LEADING SEPARATE .

05 (*)-ATRL-TOT-LIMIT-RED	PIC S9(12)V99 SIGN IS LEADING SEPARATE .
05 (*)-ATRL-TOT-COST-ADJ	PIC S9(12)V99 SIGN IS LEADING SEPARATE .
05 FILLER	PIC X(14).

\* - FILE TRAILER

01 (*)-FTRL-RECORD.	
05 (*)-FTRL-RECORD-TYPE	PIC X(04).
88 FTRL-RECORD VALUE 'FTRL'.	
05 (*)-FTRL-SUBMITTER-ID	PIC X(10).
05 (*)-FTRL-APPL-COUNT	PIC 9(05).
05 (*)-FTRL-TOT-EST-PREMIUM	PIC S9(13)V99 SIGN IS LEADING SEPARATE .
05 (*)-FTRL-TOT-RET-COST	PIC S9(13)V99 SIGN IS LEADING SEPARATE .
05 (*)-FTRL-TOT-THRESHOLD-RED	PIC S9(13)V99 SIGN IS LEADING SEPARATE .
05 (*)-FTRL-TOT-LIMIT-RED	PIC S9(13)V99 SIGN IS LEADING SEPARATE .
05 (*)-FTRL-TOT-COST-ADJ	PIC S9(13)V99 SIGN IS LEADING SEPARATE .
05 FILLER	PIC X(11).